



General Assembly

February Session, 2000

Raised Bill No. 5017

LCO No. 827

Referred to Committee on Banks

Introduced by:
(BA)

***An Act Concerning The Enforcement And Examination
Authority Of The Banking Commissioner.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (e) of section 36a-428b of the general statutes is
2 repealed and the following is substituted in lieu thereof:

3 (e) For purposes of section 36a-65 the commissioner shall [take into
4 account only] annually, on or after July 1 for the fiscal year
5 commencing on said July 1, assess each foreign bank that has
6 established a state branch or state agency in this state, taking into
7 consideration (1) the assets of such foreign bank relative to the assets of
8 other foreign banks with a state branch or state agency in this state
9 provided only the assets of the state branches or state agencies located
10 in this state shall be considered, (2) the cost of any examination under
11 section 36a-428l, (3) the amount allocated to each Connecticut bank
12 and each Connecticut credit union under section 36a-65, and (4) any
13 other factor the commissioner deems appropriate to the administration
14 of sections 36a-428 to 36a-428n, inclusive, as amended.

15 Sec. 2. Subsection (b) of section 36a-494 of the general statutes, as

16 amended by section 29 of public act 99-36, is repealed and the
17 following is substituted in lieu thereof:

18 (b) Whenever it appears to the commissioner that any person has
19 violated, is violating or is about to violate any of the provisions of
20 sections 36a-485 to 36a-498, inclusive, or any regulation adopted
21 pursuant thereto, or failed to perform any agreement with a borrower,
22 the commissioner may take action against such person in accordance
23 with section 36a-50.

24 Sec. 3. Section 36a-517 of the general statutes is repealed and the
25 following is substituted in lieu thereof:

26 (a) The commissioner may suspend, revoke or refuse to renew any
27 license, in accordance with section 36a-51 for any reason which would
28 be sufficient grounds for the commissioner to deny an application for a
29 license under sections 36a-510 to 36a-524, inclusive, or if the
30 commissioner finds that the licensee or any owner, director, officer,
31 member, partner, shareholder, trustee, employee or agent of such
32 licensee has done any of the following: (1) Made any material
33 misstatement in the application; (2) committed any fraud or
34 misrepresented, concealed, suppressed, intentionally omitted or
35 otherwise intentionally failed to disclose any of the material particulars
36 of any secondary mortgage loan transaction, including disclosures
37 required by part III of chapter 669 or regulations adopted pursuant
38 thereto, to anyone entitled to such information; (3) violated any of the
39 provisions of sections 36a-510 to 36a-524, inclusive, parts I, III and V of
40 chapter 669, sections 46a-65 to 46a-67, inclusive, or section 46a-98, or of
41 any regulations adopted pursuant thereto; or (4) failed to perform [a
42 written] any agreement with a borrower.

43 (b) Whenever it appears to the commissioner that any person has
44 violated, is violating or is about to violate any of the provisions of
45 sections 36a-510 to 36a-524, inclusive, or failed to perform any
46 agreement with a borrower the commissioner may take action against
47 such person in accordance with section 36a-50.

48 Sec. 4. Section 36a-545 of the general statutes is repealed and the
49 following is substituted in lieu thereof:

50 Each applicant or licensee shall have established bookkeeping
51 methods and shall keep books and records at the place of business
52 specified in the license in a form and manner satisfactory to the
53 commissioner, or shall make such books and records available at such
54 place of business not later than five business days after requested by
55 the commissioner. All such books and records shall be preserved for at
56 least two years after the making of the final entry therein.

57 Sec. 5. Section 36b-23 of the general statutes, as amended by section
58 5 of public act 99-38, is repealed and the following is substituted in lieu
59 thereof:

60 No person shall make or cause to be made verbally or in any
61 document filed with the commissioner or in any proceeding,
62 investigation or examination under sections 36b-2 to 36b-33, inclusive,
63 any statement which is, at the time and in the light of the
64 circumstances under which it is made, false or misleading in any
65 material respect.

66 Sec. 6. Section 36b-80 of the general statutes, as amended by section
67 9 of public act 99-38, is repealed and the following is substituted in lieu
68 thereof:

69 No person shall make or cause to be made verbally or in any
70 document filed with the commissioner or in any proceeding,
71 investigation or examination under sections 36b-60 to 36b-80, inclusive,
72 any statement which is, at the time and in the light of the
73 circumstances under which it is made, false or misleading in any
74 material respect.

75 Sec. 7. (NEW) No licensee shall, in connection with the activity for
76 which such person is licensed: (a) Employ any device, scheme or
77 artifice to defraud; (b) make any untrue statement of a material fact or

78 omit to state a material fact necessary in order to make the statements
79 made, in the light of the circumstances under which they are made, not
80 misleading, or (c) engage in any act, practice, or course of business
81 which operates or would operate as a fraud or deceit upon any person.

82 Sec. 8. Section 3 of public act 99-158 is repealed and the following is
83 substituted in lieu thereof:

84 No person shall make or cause to be made verbally or in any
85 document filed with the commissioner or in any proceeding,
86 investigation or examination under this title, any statement which is, at
87 the time and in the light of the circumstances under which it is made,
88 false or misleading in any material respect.

89 Sec. 9. This act shall take effect from its passage.

Statement of Purpose:

To allow the Banking Commissioner to consider certain factors when establishing the annual assessment for foreign banks that have established a state branch or state agency in this state; to allow the commissioner to impose a civil penalty against first and secondary mortgage lenders and brokers who fail to perform any agreement with a borrower; to permit applicants for a sales finance company license and persons licensed as a sales finance company, the option of keeping books and records at a location other than at the place of business specified in the license, provided that the licensee shall make the books and records available at such place of business not later than five business days after requested by the commissioner; to prohibit the making of false and misleading verbal statements to the commissioner in a proceeding, investigation or examination; and to prohibit licensees under Title 36a from engaging in fraudulent conduct.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]